

ET 03-254



LEVENTHAL SENTER & LERMAN PLLC

February 5, 2007

BY ELECTRONIC SUBMISSION

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington DC 20554

FILED/ACCEPTED

JUN 11 2007

Federal Communications Commission  
Office of the Secretary

**Re: Virtual Geosatellite, LLC,  
C-band/Ku-band Non-Geostationary Satellite-Orbit System  
(Call Sign S2366, File No. SAT-LOA-19990108-00007, et al.)**

Dear Ms. Dortch:

In an Order and Authorization released December 21, 2006 (*see Virtual Geosatellite, LLC*, DA 06-2560 (Int'l. Bur., released Dec. 21, 2006)), the Commission's International Bureau granted Virtual Geosatellite, LLC ("Virtual Geo") an authorization to launch and operate an 18-satellite non-geostationary satellite orbit ("non-GSO") system in the Ku-band and C-band fixed-satellite service frequencies. Among the provisions of the December 21 order was a direction from that Virtual Geo post, pursuant to Section 25.165 of the Commission's Rules, 47 C.F.R. § 25.165, a system implementation bond in the amount of \$5 million on or before January 20, 2007. At Virtual Geo's request, the International Bureau extended the deadline for the posting of the implementation bond to February 5, 2007.

Due to unfortunate circumstances and despite the best efforts of company principals to secure the necessary funding to post a timely bond, Virtual Geo was unable to timely satisfy the bond requirement of Section 25.165. With no further options left to it, and for the reasons set out in the attached letter to Chairman Martin, Virtual Geo regrets that it must hereby surrender its authorization.

Respectfully submitted,

*Stephen D. Baruch*

Raul R. Rodriguez  
Stephen D. Baruch  
Attorneys for Virtual Geosatellite, LLC

Enclosure

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DAVID CASTIEL  
Chief Executive Officer

February 5, 2007

**BY HAND DELIVERY**

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington DC 20554

**Re: Virtual Geosatellite, LLC,  
C-band/Ku-band Non-Geostationary Satellite-Orbit System  
(Call Sign S2366, File No. SAT-LOA-19990108-00007, et al.)**

Dear Mr. Chairman:

In an Order and Authorization released December 21, 2006 the International Bureau granted Virtual Geosatellite, LLC ("Virtual Geo") the referenced satellite authorization. Among the provisions of the December 21 order was a direction that Virtual Geo post a system implementation bond in the amount of \$5 million on or before January 20, 2007. At Virtual Geo's request, the International Bureau extended the deadline for the posting of the implementation bond to February 5, 2007.

Virtual Geo has worked with diligence to arrange for the funding of the required bond, and came very, very close to succeeding in this effort. Virtual Geo is a start-up company with an extraordinarily innovative but ultimately commercially unproven concept for maximizing the satellite capacity that is achievable in the C-band and Ku-band FSS frequencies. Unfortunately, Virtual Geo found that the requirement to arrange the posting of an externally-financed \$5 million bond within just over six weeks after licensing provided some entities that possess the financial wherewithal to join Virtual Geo in this great venture with an incentive to want to take control of Virtual Geo's destiny and vision on firesale terms. In this way, the bond requirement the Commission adopted to ensure that licensees are incentivized to proceed with their authorized systems left Virtual Geo, a committed new licensee, with the unenviable choice of having to agree to cede eventual control of its license in return for the posting of the bond or to surrender its license and start again from scratch. To Virtual Geo, there was only one option. It is thus with great regret and temporarily dashed expectations that Virtual Geo hereby surrenders its authorization.

Although it will no longer hold the license it has pursued with great determination since 1999, Virtual Geo emphasizes that its intention is that the effort the Commission has expended in developing a regulatory environment that fully satisfies Virtual Geo's system objectives for a highly-elliptical orbit non-GSO system in the FSS at C-band and Ku-band will not go for naught. Virtual Geo will continue its drive to line up investors that share its commitment to maximization of the use of the orbital/spectrum resource, and expects in the very near future to apply anew for precisely the same authorization it is now surrendering. Virtual Geo is sure that with the issuance of a new authorization, and despite the fact that it is a start-up company, it will be in a position timely to meet the \$5 million bond obligation that has hamstrung it so unfortunately today. Virtual Geo intends as well to continue to play an active role in the development and advancement of Commission and U.S. satellite and spectrum policies.

The decision to surrender the authorization it worked so hard to acquire is not one that Virtual Geo makes lightly. The company specifically expresses its gratitude to all within the Commission and its International Bureau who recognized the promise that Virtual Geo's "Virgo" system offers. Virtual Geo looks forward to the continuation of its good relationship in the years to come.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Castiel", with a stylized flourish at the end.

David Castiel, PhD.  
Managing Director  
*Virtual GeoSatellite, LLC*